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CHINA.

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China's net foreign trade amounted to $630,770,555[a] in 1914 (not including that of Tsingtau). This was $91,056,043 less than that of 1913, the decrease being made up of $33,356,311 in imports and $57,699,732 in exports. The imports in 1913 were $422,775,535; in 1914 they dropped to $389,419,224, or considerably less than $1 per capita. For the same years the exports were $299,051,063 and $241,351,331, respectively. America and England stood alone among the foremost commercial nations as showing increases in China's trade in 1914. China's increased exports to America, however, were practically all made up of shipments of gold to New York in connection with German banking activities at Shanghai.

No returns are available from Tsingtau (Kiaochow), the Japanese military authorities having taken possession of all the records after replacing Germany at that port. But inasmuch as Tsingtau handled $21,078,532 of China's total foreign trade in 1913, that amount may be deducted from the 1914 war-time decline in commerce, and this does not leave a very heavy shrinkage. Moreover, upwards of another $20,000,000 may be accounted for by the injury to China's silk business resulting entirely from the war, being inflicted chiefly on Shanghai. Cotton yarn and sugar imports fell off more than $12,000,000, and more than $4,000,000 represents the restrictions placed on the importation of opium.

The War and China's Commercial Stability.

Aside from kerosene, the European war was largely responsible for the changes in and interferences with China's promising foreign trade. In fact, the first quarter of 1914 surpassed all previous records in the increase shown in foreign trade; if the great war had not interfered, the year as a whole would have registered an exceptionally high-water mark. And yet, barring the 1913 record year, the commercial disorganization brought on by the war did not prevent China from transacting more foreign business in 1914 than in any previous year in its history. In 1912, however, China's exports ($264,922,088) exceeded those of 1914, although the total foreign trade in the former year was only $603,186,465, or $27,000,000 less than in the year under review. The imports in 1912 were $338,264,377.

In spite of war-time trade depression China manifested remarkable stability during 1914. Its burden of financial obligations was carried apparently with comparative ease; and while customs revenues

[a] Conversions in this report have been made at the rate of $0.7415=1 haikwan, or customs, tael for 1913 and $0.699 for 1914.

decreased by about 5,000,000 Shanghai taels to approximately 39,000,000 Shanghai taels ($21,547,500 at current exchange rates) for the year, the returns from the salt taxes became enormous, having reached $23,343,125. Salt taxes, therefore, now constitute China's foremost source of revenue. These revenues, in addition to meeting the Boxer indemnity and other expenses, contributed millions of dollars to support the Government's administrative policies.

Banking and Shipping Facilities Dislocated by the War.

The war dislocated banking facilities, and Chinese merchants were unable to obtain from foreign banks the accommodation that had previously been enjoyed. Disquieting fluctuations in exchange, coupled with depreciated silver as well as paper money, unsettled all calculations, and it is quite remarkable that the country as a whole remained comparatively calm.

The activity of the German naval vessel *Emden* further hampered China's foreign trade and put up freight rates. The figures show a reduced tonnage of 2,035,845, due to the withdrawal of steamers for war purposes or because of the war and the disappearance of German and Austrian shipping, the German shrinkage alone being nearly 3,000,000 tons. Steamers flying the American flag were overtaxed with freight and passengers. While freight rates advanced, the former passenger tariffs were continued in force.

Domestic Loan—Needed Currency Reforms—Big Gold Shipments.

One of the most significant financial signs of the time in China was the oversubscribing during 1914 of an important domestic loan ($26,000,000 Mexican). This act reflected the confidence felt by substantial Chinese in the strength and stability of the new Republic.

But notwithstanding this generous support of the Government, the existence of an unsatisfactory national financial status and the urgent need of currency reform was everywhere apparent. Depreciated revolutionary paper money clogged the wheels of national industry; in some instances such currency was not worth one-third of its face value, and finally the Government redeemed millions of dollars at a discount of 50 per cent. Here and there depreciated paper money was taken over by the Government in payment of revenues, with the intention of ridding the country of it by consigning it to the flames. Thus the issue of paper money came under fair control and a foundation was cleared for currency reform.

The general finances of China form a considerable portion of the annual report for 1914 by the Chinese Maritime Customs. Of the financial situation during the latter part of last year the report says (a haikwan or customs tael averaged in value in 1914 $0.667 United States currency):

> The demand for gold in Europe and Japan and its dearness as compared with silver led to the sale of the former metal by China, and there was an excess of exports over imports of 13,000,750 haikwan taels, the bulk of the shipments having taken place after the commencement of the war. That gold valued at 4,397,531 haikwan taels was sent to America, where the price was attractive, is partly to be explained by the fact that there was no possibility of remitting to Germany by bills of exchange after the stoppage of German trade. The most convenient way, therefore, of remitting such funds as those required for the service of loans and the Boxer Indemnity was to ship gold to a neutral country where credits could be arranged. Japan took 6,198,061 haikwan taels, some of which was said to be also destined for America. To Europe there was an export to the value of 2,704,447 haikwan taels. There is always a small export

of gold from China, and the larger export during 1914 was merely due to exceptional circumstances and was not brought about by the necessity of adjusting the balance of trade.

The actual export of gold from China to the United States was especially significant in view of the strong movement of all metals from the United States to China under normal conditions to cover the immense remittances from Chinese in the United States to South China.

The Industrial Awakening.

In an industrial sense China is showing unmistakable signs of coming activity. The country has immense coal deposits, has the ability to produce unlimited quantities of cotton and the cheap labor to manufacture it into yarn and cloth, has vast fertile areas suitable for wheat growing and ample capital to establish flour mills, and yet imports much that could easily be produced at home. Evidently the foremost Chinese merchants are not overlooking domestic trade opportunities of this kind, for they are building flour mills, their wheat fields are increasing, and they are becoming more energetic in producing cotton yarn, cotton piece goods, etc. Candles, matches, soap, and other necessities are being successfully manufactured.

As a rule, however, even though articles heretofore imported are being manufactured in China, the foreigner is able to continue his sales, for the demands constantly increase. This may not hold true as regards flour. In due course, no doubt, with China's cheap labor trained under foreign supervision, the country will supply a larger and larger per cent of its own requirements, while at the same time developing demands for a wider range of the products of other countries.

Crops, Floods, Bandits, and General Conditions.

Crops, as a rule, were good throughout China in 1914, and conditions generally were quite satisfactory, with the noted robber, White Wolf, disposed of, although this was followed, unfortunately, by the disquieting apprehensions of war time. The country is so vast, however, that crop failures or floods and brigandage in a few Provinces were more or less incidental in effect.

The great Yangtze River was unusually low during the summer, and permitted the natives to till bottom lands that are not usually available. In the south the West River floods did much local damage and interfered with trade for a time. Floods also damaged bean and other crops in Manchuria. In this section a reduction of Japanese railway freight rates by 30 per cent went into effect in July, 1914. This reduction on certain articles and a one-third reduction in duty on goods passing over the Korean-Manchurian frontier encourages Japanese trade. On the interior frontiers a protracted drought forced up the price of rice; tin slabs from the same regions were, on the other hand, held back by low market prices.

Shanghai's chief war-time alarm was due to the loss of the silk trade, but on the whole that center of China's commercial activity opened up many new industries, including the taking over of several cotton mills from Hongkong. The Shanghai building boom of 1914 surpassed all previous years.

The Canton district was harassed by daring piracy, and also suffered from interference with the silk and matting trade. Tientsin

opened the year with advances in the sale of American and British piece goods, but closed with the tables somewhat turned in favor of Japanese dealers. War-time prices in various districts recorded advances in aniline dyes of 60 to 100 per cent, and in sugar, matches, and paper of 50 per cent or more.

The famous bandit, White Wolf, disappeared just before the declaration of war in Europe. He had been most daring in his raids in the heart of China, and his presence was a serious check on business. The Government placed a fortune on his head. After his reported death his followers disbanded.

Principal Declines in Imports and Exports—Articles in Demand.

The million-dollar shrinkages in China's imports in 1914 were in: Cotton yarns, sugar, arms, clothing, coal, cotton goods, dyes, flour, leather, matches, opium, and household stores. The only notable increase in imports was in American kerosene. China's shrinkage in exports was principally in raw silk and silk products, bean cake, raw cotton, tin slabs, sesamum seeds, hides, straw braid, groundnuts (peanuts), cattle, wheat, and vegetables. Notable exception to this general slump in exports was the increased shipment abroad of large quantities of beans, mostly for England and Russia. More black tea and coal were also exported in 1914 than in 1913, a large part of the former likewise going to England and Russia for military uses. In the latter country tea in a measure replaces vodka.

Cheap articles sell readily in China, and, in addition to staple necessities, there is a demand for inexpensive grades of looking glasses, foreign hats for men, shoes and hosiery for both men and women, thread, buttons, cheap cotton umbrellas, enamel ware, lamps, clocks, crockery, watches, toilet articles, and highly perfumed soaps and perfumery. Japanese producers are active in supplying inexpensive articles. This business declined, however, in 1914. Window glass is rapidly growing in popularity, and, with Belgian glass out of the market, supplies are being sought elsewhere.

Shrinkages in the Import Trade.

The bulk of China's decrease in imports in 1914 was made up of a dozen articles, cotton yarn leading with a loss of more than $6,500,000. This result was not entirely due to the war and must be accounted for partially by the active manufacturing of cotton yarn in China, mostly at Shanghai. The chief loss fell on British India, but Japan's competitive activity minimized the loss suffered by that country. The next principal falling off in imports was in sugar, a drop of 68,756 tons, valued at more than $5,500,000. In 1913 a total of 474,120 tons of sugar were imported, having a customs value of about $27,000,000. War prices put sugar up, in some instances, 50 per cent, and the people simply curtailed the use of it.

Obviously the war was responsible for the greater part of this decline in imports. Germany had been quite active in shipping arms and munitions into China, and the war interfered with this activity. The falling off in clothing, hats, boots, shoes, and gloves was approximately one-third. Coal stocks were large, and this fact contributed to a reduction in imports. At the same time the exportation of coal increased by 448,055 tons, valued at $1,140,711. This about equaled the decline in imports, so far as valuation is concerned,

but in tons the difference is very noticeable, namely, a decrease of 89,938 tons in imports against an increase of 448.055 tons in exports, thus illustrating the higher value of the imported article.

The war shut off the supply of dyes from Germany, and high prices at home, coupled with local competition in China, reduced the flour importations. The same may be said of leather. The 25 per cent decline in match importations is traceable largely to Germany, from which country the essential chemical raw materials were derived. Still, the Chinese are entering into the match trade, as in a number of other lines. The departure of many foreigners and the curtailing of expenses by those left behind caused a reduction of more than one-third in the importation of household stores, groceries, etc.

Foreign Population and Foreign Firms.

The foreign population in China shows a slight increase, from 163,827 in 1913 to 164,807 in 1914. The American population (about 5,000) remains, next to that of England (about 9,000), the principal unit aside from the preponderating Japanese and Russians.

While Japan's population in China increased to 84,948, the number of Japanese firms reported in China decreased from 1,269 in 1913 to 955 in 1914, a falling off of 314, as compared with a total decrease for all countries of 384. American firms increased from 131 in 1913 to 136 in 1914. The following list gives the number credited to other leading countries in 1914: British, 534; French, 113; German, 273; Russian, 1,237; total foreign firms, 3,421.

Foreign Trade Classified by Ports.

China's foreign trade is given in the following table by ports in alphabetical order, excluding that of Tsingtau in 1914. In 1913 Shanghai's foreign commerce exceeded the combined total credited to the other principal ports—Canton, Dairen, Hankow, Kowloon, and Tientsin—by $89,000,000, but in 1914 the excess was reduced to $58,000,000 because of the enormous shrinkage in the silk business at China's chief commercial center. Shanghai, however, shows a slight increase in the percentage of all China's foreign trade, having transacted about 42.5 per cent of it in 1914.

Ports.	Imports.		Exports.		Total.	
	1913	1914	1913	1914	1913	1914
Aigun	$215,244	$207,494	$902,381	$837,936	$1,117,625	$1,045,430
Amoy	8,094,286	6,740,974	1,878,447	1,517,774	9,972,733	8,258,748
Antung	4,616,976	8,948,407	2,745,009	2,121,438	7,361,985	11,105,845
Canton	23,573,189	24,381,531	41,447,909	30,856,903	65,051,098	55,238,434
Changsha	1,105,100	1,645,528	794	627	1,105,894	1,646,155
Chefoo	3,864,621	3,886,207	3,481,742	2,562,273	7,346,363	6,448,480
Chinkiang	2,832,305	3,012,166	425,387	145,336	3,257,692	3,157,502
Chinwangtao	2,641,774	2,234,210	1,190,499	2,213,054	3,832,273	4,447,264
Chungking	577,209	1,169,875	57,193	65,170	634,402	1,235,045
Dairen (Dalny)	21,310,919	20,195,204	22,254,347	25,987,512	43,565,266	46,182,716
Foochow	5,736,047	4,357,823	4,566,631	3,477,082	10,302,678	7,834,905
Hangchow	413,801	378,502	.....	.....	413,801	378,502
Hankow	25,332,688	24,664,930	12,462,285	12,517,711	37,794,953	37,182,641
Harbin district:						
Harbin	131,233	192,327	2,129,595	2,218,089	2,260,828	2,410,416
Manchouli	8,979,875	7,742,429	1,320,013	1,165,223	10,299,888	8,907,652
Suifenho	5,846,682	4,610,250	10,316,731	8,140,995	16,163,413	12,751,245
Hunchun	296,577	293,145	330,110	182,005	626,687	475,150
Ichang	140,433	170,505	.....	.....	140,433	170,505
Kiaochow (Tsingtau)	11,468,622	.....	9,609,910	.....	21,078,532	.....

Ports.	Imports.		Exports.		Total.	
	1913	1914	1913	1914	1913	1914
Kiukiang	$1,141,157	$1,273,120	$89,931	$73,940	$1,231,088	$1,347,060
Kiungchow	2,895,757	2,088,296	1,556,873	1,425,761	4,362,630	3,514,060
Kongmoon	5,041,844	3,825,275	1,091,070	774,243	6,132,914	4,599,518
Kowloon	22,573,434	21,968,332	9,699,577	7,510,682	32,273,011	29,479,014
Lappa	8,787,393	8,131,945	3,874,527	3,043,887	12,661,920	11,175,832
Lungchingtsun	497,674	351,271	129,251	41,012	626,948	395,283
Lungchow	73,599	78,728	7,433	8,576	81,032	87,304
Mengtze	6,469,719	5,454,617	8,295,639	5,857,507	14,615,359	11,312,124
Nanking	1,961,319	2,560,286	91	737,761	1,961,410	3,268,050
Nanning	14,446	11,373	1,510,002	1,137,695	1,524,448	1,149,068
Newchwang	5,889,238	5,328,939	8,187,236	5,035,783	14,037,534	10,364,722
Ningpo	2,143,081	1,851,800	512	1,275	2,143,593	1,853,075
Pakhoi	1,372,645	1,068,294	680,765	471,402	2,052,810	1,533,696
Samshui	3,796,034	2,814,489	602,618	610,476	4,398,651	3,454,956
Sansing	35,418	48,146	1,813,684	1,819,034	1,849,102	1,867,180
Santuao	21,212	12,818	.....	.....	21,212	12,818
Shanghai	181,261,470	166,774,094	131,140,515	103,236,774	312,401,985	270,010,868
Shasi	148,347	135,508	219	192	148,566	135,700
Soochow	14,111	13,436	.....	.....	14,111	13,436
Swatow	14,912,352	14,428,484	6,141,138	5,976,673	21,053,490	20,405,157
Szemao	137,096	157,783	29,185	25,099	166,281	182,882
Tatungkow	511	471	33,349	82,798	33,860	83,269
Tengyueh	1,780,933	1,404,768	541,500	393,410	2,322,433	1,798,178
Tientsin	38,079,212	36,898,870	6,036,512	6,750,841	44,115,721	43,649,711
Wenchow	2,118	712	.....	.....	2,118	712
Wuchow	7,991,141	7,273,386	2,557,037	2,325,642	10,548,178	9,599,028
Wuhu	670,454	1,040,334	635	1,350	671,089	1,041,684
Yochow	4,597	8,417	2,778	384	7,375	8,801
Total	434,734,353	399,868,520	299,051,063	241,351,331	733,785,416	641,219,851
Reexports	11,958,818	10,449,296	.....	.....	11,958,818	10,449,296
Net total	422,775,535	389,419,224	299,051,063	241,351,331	721,826,598	630,770,555

Share of Each Country in China's Foreign Trade.

In order to show at a glance the percentage of China's trade that is held by the various countries the following table is presented, showing the percentage of imports from and exports to China in 1913 and 1914:

Countries.	Imports.		Exports.		Percentage of China's trade.	
	1913	1914	1913	1914	1913	1914
Austria-Hungary	0.71	0.41	0.38	0.34	0.58	0.39
Belgium	2.77	3.16	1.62	1.46	2.29	2.50
British India	8.42	7.00	1.57	1.97	5.57	5.06
Canada	0.33	0.21	0.16	0.23	0.26	0.22
Dutch East Indies	1.11	1.12	0.64	0.85	0.92	1.02
France	0.90	0.88	10.10	6.62	4.72	3.08
French Indo-China	0.82	0.99	0.47	0.53	0.67	0.82
Germany	4.93	2.52	4.22	2.98	4.64	2.69
Hongkong	28.67	28.65	29.04	27.05	28.83	28.05
Italy	0.11	0.14	2.06	1.53	0.92	0.67
Japan	21.03	21.91	17.95	19.81	19.75	21.11
Macao	1.18	1.07	1.22	1.22	1.19	1.12
Netherlands	0.25	0.24	2.16	1.35	1.04	0.67
Philippines	0.24	0.33	0.19	0.33	0.22	0.33
Russia	3.37	3.34	11.14	12.02	6.59	6.66
Singapore, Straits Settlements, etc	1.53	1.32	1.87	2.01	1.67	1.59
United Kingdom	16.94	18.76	4.05	6.38	11.60	14.02
United States	6.17	7.30	9.33	11.55	7.48	8.91
All other countries	0.52	0.65	1.83	1.77	1.06	1.09
Total	100.00	100.00	100.00	100.00	100.00	100.00

This table shows both in imports and exports a relative gain for the United States; this is also true of Indo-China, Japan, and the United Kingdom.

The following table, corresponding to the foregoing, shows the actual amount of the trade, imports and exports, transacted between China and the chief commercial nations in 1913 and 1914:

Countries.	Imports.		Exports.		Total.	
	1913	1914	1913	1914	1913	1914
Austria-Hungary	$3,015,604	$1,577,457	$1,149,455	$839,493	$4,165,059	$2,416,950
Belgium	11,716,396	12,272,004	4,854,154	3,533,546	16,570,550	15,805,550
British India	35,619,816	27,204,522	4,590,113	4,736,996	40,209,929	31,941,518
Canada	1,378,339	810,563	483,732	555,048	1,862,071	1,365,611
Dutch East Indies	4,684,330	4,348,243	1,931,653	2,042,711	6,615,983	6,390,954
France	3,873,519	3,420,908	30,215,963	15,989,769	34,089,482	19,401,668
French Indo-China	3,470,863	3,885,792	1,399,265	1,263,638	4,870,128	5,149,430
Germany	20,865,789	9,812,818	12,624,204	7,180,699	33,489,993	16,993,517
Hongkong	121,241,377	111,674,403	86,850,902	65,286,431	208,092,279	176,960,834
Italy	468,688	529,363	6,167,825	3,696,021	6,636,513	4,225,384
Japan	88,932,142	85,315,843	53,652,830	47,826,387	142,584,972	133,142,230
Macao	4,886,355	4,146,142	3,672,188	2,946,929	8,558,543	7,093,071
Netherlands	1,044,289	942,342	6,445,463	3,264,138	7,489,752	4,206,480
Philippines	1,009,249	1,295,490	565,500	804,265	1,574,749	2,099,755
Russia	14,232,044	13,021,212	33,309,246	29,001,423	47,541,290	42,025,635
Singapore, Straits Settlements, etc	6,463,446	5,181,030	5,600,334	4,859,948	12,063,780	10,040,978
United Kingdom	71,628,885	73,046,011	12,120,865	15,389,573	83,749,750	88,435,584
United States	26,106,393	28,371,894	27,917,698	27,862,752	54,024,091	56,234,646
All other countries	2,138,011	2,563,187	5,499,673	4,277,573	7,637,684	6,840,760
Total	422,775,535	389,419,224	299,051,063	241,351,331	721,826,598	630,770,555

Comment on Share of Each Country.

In examining the foregoing table it is found that the United Kingdom increased its participation in China's trade by $4,685,834 and the United States by $2,210,555, the latter increase being due to the shipment of gold from Shanghai. The Philippine trade, considering the amount of business heretofore transacted, made an important advance, amounting to more than $500,000. Indo-China's trade increased upwards of $250,000.

The share of all other countries decreased. Hongkong's share fell most of all in 1914, the loss being $31,131,445. Germany followed with a loss of $16,496,476. France suffered almost as heavily, its decrease in trade being $14,687,814. Japan and British India lost $9,442,742 and $8,268,411, respectively, and Russia $5,515,655. Having in mind the amount of their whole trade prior to the war, Germany and France suffered the most severely. China's imports from Germany were excessively curtailed; the exports to France were reduced about 50 per cent. France has been China's best customer in silk products.

America's Great Interest in Cotton Goods in China.

The cotton-goods trade in China has been the subject of serious consideration by cotton-mill managers and cotton exporters in the United States for a number of years because of the fact that the large sales of American goods have seriously declined. For several months an American cotton and cotton goods expert, Commercial Agent Ralph M. Odell, has been diligently engaged in making a careful study of existing conditions on the spot and has ably and fully reported relative thereto. In examining industrial conditions in China and the Far East it is found that while Oriental labor is becoming more and more a controlling feature in supplying cotton goods and cotton yarn special facilities possessed by manufacturers

in the United States may enable them to retain a large share of this business provided due care is exercised in meeting trade conditions and competitive prices.

On the other hand, if American manufacturers are unable to place suitable cotton goods in China at competitive prices, there will be a further reduction in importations from the United States. Although our country can scarcely participate in the yarn business the expert reports made by Mr. Odell demonstrate that American manufacturers of cotton cloths should give the whole subject serious attention with a view of providing goods suitable for the China market and at prices that will build up a permanent outlet for large quantities of goods.

With its cheap labor, however, the Far East, including China, may be expected eventually to take over the bulk of the trade of this kind. Japan has set the pace and China is following.

One-third of China's Imports Endangered by Asiatic Mills.

One-third of all China's imports is represented by the single item of cotton manufactures, and among the countries of the world China ranks second in the imports of all kinds of cotton goods and first in the imports of cotton yarn. India comes first in the purchase of cotton goods. In the immense cotton-yarn trade of China, Japan has been crowding out England and India, but, in turn, China is now asserting its cheap labor power to compete with Japan and is producing rapidly increasing quantities of yarn. Both British and Japanese industrial interests are interested in local mills, chiefly at Shanghai, for the manufacture of cotton yarn and cotton cloth, and it is possible that American participation will follow. Already American cotton management for Chinese mills has been obtained.

American trade has suffered already from the competition of the cotton mills established in China. There are now over 1,000,000 spindles and 4,500 looms in the country, mostly at Shanghai, which produce 40,000,000 to 50,000,000 yards of cloth annually. The cloth woven is mostly sheetings and drills of approximately the same weight and construction as American goods which are shipped to China. The domestic mills use a large proportion of Chinese cotton but they do not size their warps as heavily as the Japanese. The prices of the locally made sheetings and drills are generally 5 to 10 per cent higher than the Japanese goods with which they compete.

Decline in Sale of American Cotton Goods.

Many prominent foreign and Chinese dealers predict that American cotton goods will soon disappear from this market unless competitive prices can be quoted. According to American statistics, the total shipments of cloth from the United States to China and Hongkong amounted to only 39,707,530 yards in 1914, as compared with 118,258,030 yards in 1913. The Chinese customs returns give the importation of American piece goods into China as follows:

Articles.	1913	1914
Shirtings, gray.....pieces..	45,915	3,172
Sheetings, gray.....do....	1,668,716	870,200
Drills.....do....	525,291	145,719
Jeans.....do....	41,201	21,009
Total.....	2,281,123	1,040,100

Estimating an average of 35 yards to the piece, this would indicate a total of 79,839,305 yards for 1913 and 36,403,500 for 1914, as the quantity shipped to China.

The European war and consequent adverse conditions prevailing in China was a contributing factor in this serious decline in the American cotton goods trade, but the decline had already set in before the war began. For example, in the seven months ended July 31, 1914, shipments of cloth from the United States to China and Hongkong amounted to 36,208,750 yards, as compared with 73,576,468 yards in the corresponding period in 1913.

Japan Has 52 Per Cent of the Yarn Trade.

In 1914 Japan was credited with over half of China's imports of cotton yarn, or 52.40 per cent. In 1913 the British interests were still in the majority, the returns giving Japan 44.95 per cent. The 1914 returns record 44.78 for India and 0.50 for Hongkong, in addition to Japan's preponderance of 52.40. The cotton yarn imports from England are now confined mainly to fine and fancy yarns, of which only a small quantity is used in China. Japan and India furnish Nos. 10 to 20 and some 32's.

It is not believed that the United States can compete in the yarn trade, because the yarn usually sold is made of cheap cotton or a mixture of Chinese or Indian with American cotton, and does not compare in quality with American yarns which are made for use on power looms. The cheaper yarn imported into China is used on the thousands of hand looms scattered throughout the country where the tension is not great and extra strong yarn is not required.

The prices are extremely low as compared with the prices of American yarns. In April, 1915, for example, Indian yarns were being sold in Shanghai at 10 cents per pound for No. 10's, 11½ cents for No. 16's, and 12½ cents for 20's. Japanese yarns are of slightly better quality, owing to the fact that they are spun with a larger proportion of American cotton, and they cost one-half cent to 1 cent a pound more than Indian. Indian yarn comes in bales of 400 pounds net, but the Japanese bales, though nominally 400 pounds, actually contain 410 pounds. The United States supplies a small quantity of yarn to China for use on the knitting machines that are in operation in the country.

Competition in Piece Goods—American Losses—Table.

The cotton piece goods imported into China are supplied mainly by England, Japan, Russia, and the United States. The tabulated statistical data prepared on this subject for the technical examination of experts show that Japan has taken America's place to a great extent, while on the other hand England and Hongkong have not suffered any great losses comparatively. Russia has only begun to share in this trade in recent years, and the principal line of goods which she supplies is cotton prints. The success of her manufacturers has been largely due to a broad policy in the matter of supplying any design required in small quantities and in keeping a large assortment in stock in branches established in the principal commercial centers.

The serious losses sustained by the United States in the cotton goods trade are evident in the following table compiled from unpub-

lished returns of the Chinese customs authorities. It will also be noted that Japan, because of considerations of propinquity and otherwise, enjoyed an increasing trade, while the other chief competitors lost heavily. In the item of jeans, for instance, Japan made remarkable gains, considering the amount of business transacted the previous year. Out of a total increase of 264,628 pieces, Japan is credited with 218,142. Imports of cotton piece goods in 1913 and 1914 were as follows, together with the stocks on hand at Shanghai December 31, 1914:

Articles.	Stocks on hand Dec. 31, 1914.	Imports.	
		1913	1914
Shirtings:			
Plain—			
Gray—			
American.....pieces..	245,080	45,915	3,172
English.....do....	1,342,119	4,109,011	3,405,285
Indian.....do....	.....	28	5,874
Japanese.....do....	26,240	181,218	243,826
All other.....do....	.....	345	12,254
White.....do....	1,627,870	4,537,900	4,331,595
Figured, brocaded, and spotted.....do....	.....	70,005	165,101
Sheetings, plain, gray:			
American.....do....	483,985	1,668,716	870,200
English.....do....	210,991	133,883	192,357
Japanese.....do....	8,820	3,397,362	4,499,433
All other.....do....	1,180	9,080	42,820
Drills:			
American.....do....	207,020	525,291	145,719
English.....do....	23,064	85,708	45,671
Indian.....do....	.....	497	504
Japanese.....do....	11,480	1,677,111	2,190,155
All other.....do....	.....	2,820	1,281
Jeans:			
American.....do....	4,010	41,201	21,009
English.....do....	[a] 382,408	1,554,688	1,609,457
Japanese.....do....	11,390	86,454	301,596
All other.....do....	.....	38,525	50,434
T cloths:			
32-inch—			
English.....do....	143,054	1,167,640	725,040
Indian.....do....	810	39,100	519
Japanese.....do....	.....	370,192	288,127
All other.....do....	.....	890	2,223
36-inch—			
English.....do....	37,787	116,596	77,219
Indian.....do....	.....	429	100
Japanese.....do....	3,900	1,257	3,326
All other.....do....	.....	.....	1,736
Cambrics, lawns, and muslins.....do....	131,863	331,856	397,015
Lenos and balzarines.....do....	9,782	124,533	141,261
Chintzes and plain cotton prints.....do....	.....	1,131,920	1,269,207
Sateens, reps, etc., printed.....do....	[b] 16,495	148,103	205,406
Turkey-red cottons and dyed T cloths.....do....	[c] 297,993	985,988	447,289
Italians, venetians, crape, and lastings:			
Fast black.....do....	638,577	1,745,901	1,788,204
Plain.....do....	.....	1,071,779	1,070,791
Figured.....do....	.....	905,446	676,682
Shirtings, plain, dyed.....do....	.....	107,988	188,221
Hongkong.....do....	.....	120,723	120,586
All other.....do....	.....	33,477	44,923
Spanish stripes, 64 inches.....do....	8,224	47,161	46,693
Cotton flannel:			
Plain, dyed, and printed—			
Japanese.....do....	10,190	112,271	137,101
All other.....do....	143,622	538,541	346,292
Striped—			
Japanese.....do....	.....	82,077	77,406
All other.....do....	.....	146,141	103,751
Fancy woven cottons.....yards..	53,976	5,705,911	9,935,037
Cloth, Japanese cotton.....do....	.....	13,312,560	32,687,256
Crape, Japanese cotton.....do....	.....	309,358	306,767
Velvet, 22 inches.....do....	57,942	5,683,791	4,075,191
Velveteens:			
18 and 26 inches.....do....		606,640	449,767
Embossed and dyed.....do....	750	283,605	76,431
Blankets.....pieces..	.....	1,104,924	531,308

[a] Includes Dutch. [b] Includes printed italians. [c] Includes shirtings, T cloths, and cambrics.

Articles.	Stocks on hand Dec. 31, 1914.	Imports.	
		1913	1914
Handkerchiefs:			
Japanese.....dozen..	130,591	81,656	94,069
All other.....do....		1,203,028	850,585
Towels:			
Honeycomb and huckaback—			
Japanese.....do....		546,528	281,467
All other.....do....		326,810	297,607
Other kinds.....do....		1,308,258	1,263,738
Yarn:			
English.....pounds..	138,533	633,733	574,666
Hongkong.....do....		1,290,933	1,695,367
Indian.....do....	13,801,733	177,408,933	151,629,865
Japanese.....do....	2,115,700	173,456,133	177,565,200
All other.....do....		5,208,666	7,416,400
Wooloa or berlinette.....do....		3,733	9,067
Thread:			
Balls.....do....		551,600	589,067
Spools.....gross..		639,139	554,980
All other cotton goods.....yards..		77,436,971	18,632,499

The total value of the imports listed in the foregoing table was $135,263,705 in 1913 and $124,603,072 in 1914.

General Review of Cotton-Goods Trade.

American cotton-goods manufacturers have confined themselves heretofore mainly to supplying heavy sheetings and drills to the China market, and these are lines in which Japanese competition has been most keenly felt. By mixing Chinese and Indian with American cotton and sizing their warps 20 to 30 per cent, in addition to their low cost of production, cotton manufacturers in Japan have been able to make 2.85, 3.00, and 3.25 yard sheetings and drills that are sufficiently good for the great majority of Chinese and offer them on the market at prices ranging from 20 to 30 per cent cheaper than American goods of similar weight.

For example, the price of Japanese sheeting 36 inches wide, 3.00 yards per pound, on the Shanghai market in April, 1915, was only Shanghai taels 3.40 (about $1.87) per piece of 40 yards as compared with Shanghai taels 4.50 (about $2.47) for American sheeting of the same weight. The quality of the latter is admittedly superior to the Japanese goods, but the difference in price is so great that the demand for American cloth is gradually being restricted to a very small class of people who are willing to pay a high premium for quality.

Cheaper Versus Better American Goods the Question.

The cotton-goods trade of China is of enormous proportions, and notwithstanding the gloomy aspect of the situation, as reflected in decreased imports, American manufacturers should not be content to retire from the market without a serious and persistent effort to regain a larger share of the business.

It has been suggested that by importing cheaper cotton from India and adding 15 or 20 per cent of sizing to the warps they might be able to produce sheetings and drills that would compete with Japanese and Chinese goods. If such a plan should be adopted it will be essential that entirely new brands or "chops" be used on the new grade of goods, in order that the established reputation of the American brands of sheetings and drills that have been sold on the market

heretofore, and which may still be sold in small quantities to the Chinese who demand a high grade cloth, may not be impaired. It is doubtful whether this policy would bring the best results, however, as Japanese and Chinese goods would probably still be sold at lower prices than American goods.

From all the information obtainable, and in view of the tendency of our trade to decline, it is believed that American cotton manufacturers will have a much better prospect of success in this market if they will undertake to make finer goods, such as gray and white shirtings, jeans, and prints, in which lines the Japanese and Chinese mills do not compete to an appreciable extent and which are supplied largely by England.

Japan's Gain is America's Loss—Prevailing Sizes Sold.

England's proportion of the cotton piece-goods trade in China has remained fairly steady in the past few years. Japan's gain in the market has been at the expense of the United States. Owing to the extraordinary conditions prevailing at the present time, increased costs of raw material and labor have caused a greater proportionate increase in the prices of English goods as compared with American, and it would appear that our manufacturers have an unusual opportunity to share in the trade in goods which they have not hitherto supplied.

The imports of gray and white shirtings and gray jeans into China are much greater than the imports of sheetings and drills, and they are used in all parts of China, while sheetings and drills are sold mainly in the north and in Manchuria, where the Japanese are most strongly entrenched in the market.

The gray shirtings sold in China are mostly 38½ inches wide, 38½ yards long, 64 by 64 to 76 by 76 construction, and weigh 8, 9, 10, 11, and 12 pounds per piece. Each piece generally has a colored woven heading at the end, which is made by inserting a few picks of colored or tinsel yarn in the filling. White shirtings are 36 inches wide, 40 yards per piece. While a wide variety of finishes are in demand, the goods, for the most part, are rather heavily filled.

Jeans are 29/30 inches wide, 30 and 40 yards per piece, about 93 by 64 construction, and weigh 8 to 9 pounds in the 30-yard lengths and 10 to 12 pounds in the 40-yard pieces. Prints are 25/28 inches wide, mostly with 30 to 35 yards per piece. The demand for them, though small as compared with the demand for gray and white shirtings, is increasing rapidly.

If American manufacturers can produce these goods at competitive prices and will undertake an aggressive selling campaign to introduce them through the American export houses which maintain branches here, or by any other practical method, it is believed that they may be able to again take a prominent part in China's cotton-goods trade.

Silk and Mixtures of Silk and Cotton Popular.

The popularity of silk piece goods and cotton and silk mixtures in gay stripes, etc., has grown, to the profit of Japanese manufacturers who are able to meet demands. The following table shows the quantity and value of imports of miscellaneous and unclassified piece goods in 1913 and 1914:

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Canvas and cotton ducks....yards..	3,027,757	2,329,003	$595,424	$478,165
Gunny and hessian cloth....do....	3,989,858	3,539,232	249,794	231,663
Linen goods and mixtures....do....	186,864	214,259	50,696	38,095
Plushes....pounds..	93,957	109,146	121,668	161,248
Silk piece goods....do....	182,189	243,903	816,961	1,105,670
Silk mixtures....do....	264,493	382,929	475,042	602,638
Silk stripe cotton cloth, Japanese....do....	7,887	21,879	6,539	11,593
All other varieties....yards..	1,436,756	1,931,695	231,519	432,980
Total....	....	....	2,547,634	3,061,965

Decreased Sales of Woolen Goods.

Aside from the insignificant item of bunting, the importation of all grades of woolen goods fell off in 1914, one reason being that woolens have come largely from Germany. This falling off illustrates the tendency of the Chinese to turn to some substitute or to discontinue purchasing altogether when they are not satisfied with prices or quality. In this instance they are reverting to their native cotton fabrics and native styles and abandoning foreign goods and foreign fashions. A brief summary is appended of the net Chinese imports of woolen goods in 1913 and 1914:

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Blankets and rugs....pounds..	1,619,557	1,070,111	$455,207	$267,295
Bunting....pieces..	1,993	2,093	8,123	8,846
Camlets, English....do....	16,098	13,147	168,699	138,252
Cloth, broad, etc....yards..	352,131	178,735	374,211	208,201
Flannel....pieces..	79,430	28,992	26,559	10,064
Lastings....do....	32,168	20,909	292,655	200,225
Long ells....do....	48,732	41,900	216,458	183,869
Spanish stripes....yards..	240,919	223,908	111,001	99,679
Yarn and cord....pounds..	1,952,800	1,081,067	1,181,943	633,492
All other varieties....yards..	1,079,282	791,420	783,130	561,003
Total....	....	....	3,617,986	2,310,925

The Decline in Woolen and Cotton Mixtures.

In woolen and cotton mixtures, in which trade Germany has largely participated, the decline that commenced in 1912 continued with increased momentum after the war broke out. The value placed on goods of this kind imported into China in 1912 was $2,832,306. From the following résumé it will be seen that the decline to $2,566,122 in 1913 was further continued in 1914 to $1,794,247:

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Alpacas, lusters, and orleans....yards..	746,556	622,982	$144,523	$115,433
Union and poncho cloth....do....	2,398,974	2,029,165	850,889	729,648
Union italian cloth....pieces..	1,479	1,203	10,549	8,493
Woolen and cotton flannel....yards..	131,158	80,395	58,163	28,953
Woolen mixtures....do....	3,549,236	2,287,696	1,502,598	911,720
Total....	....	....	2,566,722	1,794,247

Increased Importation of a Few Articles.

Not only were nearly all kinds of cotton goods imported in reduced quantities in 1914; it may be said that all other commodities in general suffered a decline. The only exceptions of foreign manufacture worth noting, in addition to kerosene, were: Railway supplies, $1,839,752; cotton jeans, $668,536; iron sheets and plates, $482,065; softwood lumber, $418,698; cotton chintzes and prints, $331,121; and a few other articles.

Machinery and fittings sold freely until the war interfered and suspended numerous industrial undertakings. Still, for the year as a whole, there was an increase of $325,744. Shanghai electric plant repairs and extensions were largely responsible for an increased importation of electrical supplies, to the amount of $183,735. Tientsin, Dairen, and Hankow also demanded articles of this kind.

China called for additional quantities of ginseng in 1914. This trade is supplied mostly through Hongkong dealers. Chosen (Korea) and Japan contributing about one-third of the total imports. Hongkong dealers also handle American ginseng.

American Kerosene Business Disappointing.

Of the few items of increased imports into China in 1914, American kerosene proved of greatest importance. Imports of this commodity increased by 47,968,464 gallons in 1914. Yet the total sales of kerosene to consumers in China was not as large in 1914 as during the previous year. On the whole, business was disappointing, chiefly on account of high ocean freight rates and resulting increased retail prices, which forced native consumers back to primitive illuminating methods and the use of vegetable oils.

Internal taxation annoyances and debased native currency also interfered with normal trade, rendering business transactions unsafe. In connection with the naval and military operations at Tsingtau, the Standard Oil Co.'s large storage tanks at that port were destroyed and the company's warehouses and plant were damaged. Large quantities of stocks on hand were lost.

Nearly a quarter of a billion gallons of kerosene were imported into China in 1914. This large import was due in a great measure to the shortage of stocks on hand at the beginning of the year. Then the European war came on; and as native produce exports were interfered with, the price of oil-producing seeds and beans went down while the price of kerosene went up 15 to 25 per cent because of wartime freight rates and fluctuating exchange.

What then happened illustrates how quickly the Chinese will accommodate themselves to changed conditions. If what they are pleased with or require is sold at what they consider satisfactory prices and in packages such as they fancy, they will purchase freely; but if not satisfied, they will seek substitutes or other means of supplying their needs. In the kerosene situation in 1914, the Chinese simply reverted in many instances to vegetable-oil dips.

America's Chief Import Threatened by China's New Oil Fields.

Aside from kerosene, the imports into China from the United States amounted to only about $12,000,000 in 1914; the kerosene importations were valued at $16,686,146—due, in part, to the successful exploitation of a staple commodity under the direction of trained

and well-paid representatives stationed throughout the country. This great American trade may eventually be largely superseded through the opening of prospective oil fields in Northern China. The Standard Oil Co. is expending large sums of money to demonstrate whether China's oil fields are to contribute to the Far Eastern demands for kerosene and other petroleum products. In 1914 this company concluded a contract with the Chinese Government to exploit certain Provinces in the production of petroleum.

Lumber Trade Conditions.

The lumber trade in China in 1914 may be considered to have been fairly satisfactory. Imports of lumber from the United States were in excess of the amounts shipped in during the preceding year, the total importations reaching nearly 200,000,000 feet, board measure—an increase of about 40,000,000 feet. Trade was unusually good during the first few months of the year, and there was every promise of an exceptionally big business being done before the year closed.

There were evidences of a large increase in the trade of the interior consequent upon a number of new projects being initiated in the spring of 1914 for the erection of cotton mills and silk filatures, especially in the Yangtze Valley. The financial dislocation consequent upon the outbreak of the war put a stop to a number of these ventures, and construction work on many of them was suspended until such time as normal conditions may be restored. The volume of lumber business done in the autumn, therefore, showed a decline.

Railroads Forced by War to Curtail Lumber Orders.

The opening of hostilities in Europe, with its attendant disastrous effect upon the import and export trade, resulting, among other things, in the scarcity of money for improvements of all descriptions, particularly interfered with the consumption of lumber by the railroads. Before the expiration of the year curtailment was the watchword; not only were the usual supplies for maintenance decreased, but calls for material for new constructions practically ceased.

Competition in the railroad-tie business was, if anything, keener than heretofore, and it was with difficulty that the importers of Douglas fir could make a competitive price even where quality and durability is the consideration.

Shanghai, Tientsin, and Hongkong, the principal ports of entry and consumption, all showed gains in lumber receipts over the preceding year; Hankow, on the other hand, showed a decline in receipts.

Lumber Stocks on Hand—Freight Rates—Ships Needed.

Stocks of Douglas fir or Oregon pine throughout China generally were fairly heavy in December because of the earlier heavy receipts and the sudden checking of the demand. The stock on hand is sufficient, under prevailing conditions, to supply demands until the latter part of 1915.

Imports were affected during the last quarter by the decided rise in Pacific freight rates; the advance was from $8 and $8.50 to as high as $12 per thousand feet, board measure. This large increase was too much to be absorbed readily by the shippers and distributors, and an advance in the retail price became necessary.

A larger lumber business could possibly be done if ships were available at reasonable terms for the transportation of lumber to

China. Owing to the high freights demanded, the price for Douglas fir has been advanced about 15 per cent, which is as much as the trade will stand; for when foreign imported wood reaches a certain figure above the cost of native poles and Korean lumber, the latter are more largely used for construction work. The prospects for 1915 are not considered bright by lumbermen, since the same conditions that prevailed during the last few months of 1914 are more than likely to continue for some time and thus to depress business.

The Railway Situation.

China's railways in general are showing satisfactory balance sheets and several soon will be in the market for additional rolling stock in order to care for the gradually increasing traffic in goods and passengers. Already cars, locomotives, etc., are being ordered, the importations for 1914 showing an increase of over 50 per cent as compared with 1913.

The Kalgan-Suiyuan Railway shows a net profit of nearly $300,000 for the past year, and the managers look forward to three times that amount in 1916. It has redeemed two short-term loans amounting to about $1,500,000 and is steadily progressing with the extension of its lines. The Nanking-Honan lines surveys are practically complete. Trains soon will be running between Kiukiang and Nanchang, although ferries will be used of necessity until the bridges are completed. Surveys on the Nanking-Kiangsi line have begun, and Peking soon will be encircled by a belt line connecting various stations.

The War Stimulates Provincial Action—Need of Railways.

The efforts of the provincial governors to secure funds for the various sections of the Canton-Hankow line are reported to be meeting with fair success. Although the first effect of the European war was to bring to an abrupt close all construction work on Chinese railways financed with foreign capital, a later result has been to stimulate Chinese provincial officials to raise funds with which to build the necessary lines themselves. This movement may bring about in a large measure the financial independence of China, so far as foreign financial aid is concerned.

An examination of the commercial activity of various sections of China supports the belief that the quickest means of developing the trade of the country is the construction of railways and affording transportation facilities. Vast areas remain largely isolated because of the lack of other than the most primitive means of shipping out produce or of bringing in supplies. Therefore the effort among provincial authorities to raise funds at home with which to build railways and open up the country is watched with deep interest.

The Flour Business—Wheat Crop and Prices—Mills.

Owing to high prices in the United States, there was practically no business in American flour at Shanghai and North China ports after the war began, except in some small consignments of the better qualities for foreign consumption. The imports of flour into China decreased by 57,418,800 pounds, of a value of $1,336,202, in 1914.

Pacific coast flour, suitable in quality for the China market, was quoted in July at $3.20 to $3.50 per barrel of four 49-pound bags f. o. b. Since that time wheat advanced as high as $1.65 per bushel,

and, with the purchasing power of Chinese money depreciated on the average about 10 per cent, American flour is temporarily shut out of the China market.

China had an average wheat crop in 1914, and prices did not increase over 10 per cent following the outbreak of the war, Chinese wheat being offered freely to the mills on the following basis at Shanghai: Tientsin best, $1.89 per picul (133⅓ pounds); Tientsin second, $1.86 per picul; Tientsin common, $1.83 per picul; Shantung, $1.83 per picul.

There are many flour mills at Shanghai and in its vicinity, their daily capacity (in 50-pound bags) being approximately as follows, although they are usually operated at only half their capacity:

Districts.	Number of mills.	Daily capacity.
		Bags.
Shanghai	16	30,000
Wusih	4	13,000
Chowpoo	1	3,000
Taichow	1	1,000
Tungchow	1	1,200
Hankow	4	10,000

Flour on Hand—Poor Prospects for American Flour.

There are about 250,000 50-pound bags of native flour in stock at Shanghai. This flour compares favorably with with Pacific coast export grades and was offered in April, 1915, at $0.94 to $0.97 per 50-pound bag, ex godown, or at about $0.92½ gold per bag. The same quality of American flour would cost $1.60 per 49-pound bag, landed at Shanghai. Owing to the large stocks of flour held in Shanghai, the Chinese Government has granted special permission to export the products of Chinese mills to Hongkong on payment of an export duty. Some of the Shanghai mills are taking advantage of this and fairly large quantities have been exported.

Flouring mills located in Harbin and other points in Manchuria are reported to have shipped large quantities of their flour to cities in North China. Some small lots of Harbin flour have thus found their way into the Shanghai market. Its quality is superior to that of the local product and compares favorably with that of the best American flours. Harbin flour is strong in gluten and is excellent for making bread.

No improvement in the flour situation is anticipated in the near future. Very little American flour will be used in Shanghai and North China for some time unless China should have a crop failure. The Chinese are increasing their wheat acreage. In Manchuria alone there are vast areas which have not yet been touched.

Tobacco and Cigarette Trade—How Pushed.

The bulk of the enormous cigarette trade of China is supplied with American leaf tobacco. The British-American Tobacco Co. and the Japanese Government monopoly use large quantities of the American leaf in the cigarette business throughout China, although the latter is largely supplied with Japanese tobacco. Tobacco imports into China declined 5,764,267 pounds in 1914. The reduction in valuation amounted to $766,420.

Both the British-American and Japanese tobacco and cigarette managers have large forces of trained men in the field, Americans

being exceptionally active on the commercially aggressive staff of the former. A fierce struggle for business is being carried on by the rivals in this trade, particularly in Manchuria. A few years ago the British-American interests controlled fully half of the Korean business, but more recently that field has been largely abandoned to the Japanese.

At present the contest for the cigarette trade centers in Manchuria, where the Japanese, following an advantage secured during the Russo-Japanese War in supplying hundreds of thousands of troops, have used all possible means to increase their sales. Both competitors utilize every means to popularize their products. Novel effects in advertising devices are numerous. The British-American Tobacco Co.'s printing and lithographing plant at Shanghai is a complete industry in itself.

Imports in 1913 and 1914, by Articles.

The following table, compiled from the unpublished Maritime Customs records, shows the quantity and value of the principal imports into China during 1913 and 1914:

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Arms and ammunition			$4,996,564	$3,109,797
Automobiles			359,762	364,846
Bags.....pieces..	32,049,708	37,250,810	2,309,676	2,586,224
Beans, peas, etc.....tons..	24,622	50,842	752,776	1,559,694
Belting, machine			198,649	194,011
Butter (including ghee)			513,147	566,278
Candles			429,912	565,272
Canvas and cotton duck.....yards..	3,027,757	2,329,003	595,424	478,165
Carriages, bicycles, etc			78,270	98,109
Chemicals (except medicines, match-making materials, and soda)			433,623	292,573
Chinaware and earthenware			897,833	708,540
Clocks and watches.....number..	549,180	505,278	691,303	567,943
Clothing, hats, boots, shoes, and gloves (except rubber and leather)			4,820,662	3,216,918
Coal.....tons..	1,690,892	1,600,954	6,985,562	5,930,427
Confectionery (except cocoa)			245,858	204,519
Cordage			292,918	262,560
Copper:				
Bars, rods, sheets, plates, and nails.....tons..	547	1,259	191,302	408,794
Ingots and slabs.....do....	13,382	17,451	4,545,040	4,654,170
Cotton goods:				
Blankets.....pieces..	1,104,924	581,308	467,776	239,061
Cambrics, lawns, etc.....do....	331,856	397,015	243,045	353,452
Chintzes and plain cotton prints.....do....	1,131,920	1,269,207	2,069,791	2,400,912
Drills.....do....	2,291,427	2,383,330	6,548,236	6,107,530
Flannels.....do....	879,030	664,550	2,232,794	1,900,524
Handkerchiefs.....dozen..	1,284,684	944,654	334,000	262,215
Jeans.....pieces..	1,720,868	1,985,496	4,285,989	4,954,525
Sheetings.....do....	5,209,041	5,604,810	11,994,417	11,112,368
Shirtings.....do....	8,947,422	8,167,107	24,935,872	23,252,919
Thread			1,092,899	948,654
Towels.....dozen..	2,181,596	1,842,812	710,277	627,884
T cloths.....pieces..	1,696,104	1,098,320	3,146,160	2,049,773
Yarn.....pounds..	358,048,400	338,881,466	52,691,056	45,943,030
Cotton, raw.....do....	17,763,133	16,865,066	2,212,652	2,007,616
Dyes, colors, and paints:				
Aniline			4,005,450	2,271,963
Indigo, artificial			7,142,986	6,109,440
Paints and paint oil			639,719	582,577
All other			709,245	525,479
Electrical materials and fittings			1,722,014	1,905,749
Enameled ware			851,535	617,174
Fish and fishery products			9,620,621	9,218,970
Flour.....pounds..	346,242,800	288,824,000	7,637,904	6,301,702
Fruits, dried			565,162	626,450
Furniture, and materials for			432,651	422,555
Gasoline, petrol, benzine, etc.....gallons..	465,577	816,292	79,931	149,162
Ginseng.....pounds..	446,421	602,888	1,223,027	1,444,352
Glass and glassware:				
Window.....boxes..	311,950	253,168	$46,529	690,610
All other			808,295	437,128

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Haberdashery			$825,410	$540,075
Hemp.....tons..	1,420	1,218	182,083	175,583
Hosiery.....dozen..	2,109,301	1,745,677	1,419,011	957,578
Instruments, musical			294,112	240,331
Iron and steel, and manufactures of:				
Bar.....tons..	39,523	34,236	1,371,794	1,124,085
Cobbles and wire shorts.....do....	22,725	29,260	627,612	771,686
Hoops.....do....	5,994	4,095	263,441	188,882
Machinery and fittings			5,224,066	5,519,810
Nail rod.....tons..	8,223	7,451	242,213	149,967
Nails and rivets.....do....	21,954	14,346	1,068,387	680,894
Pigs and kentledge.....do....	8,727	9,562	168,844	176,002
Pipes and tubes.....do....	4,257	7,229	275,156	418,556
Plate cuttings.....do....	23,988	28,469	565,222	665,843
Rails.....do....	19,523	14,506	664,426	387,297
Sheets, galvanized.....do....	15,043	9,717	1,045,585	628,236
Sheets and plates, n. e. s.....do....	4,065	20,556	209,484	691,549
Stoves and grates			230,690	132,296
Wire—				
Galvanized.....tons..	4,395	4,313	244,754	210,298
All other.....do....	4,065	2,365	209,484	116,149
Lamps and lamp ware			1,017,752	746,966
Lead, pigs and bars.....tons..	7,174	7,256	545,266	602,597
Leather.....pounds..	14,572,666	12,141,066	5,323,170	4,174,142
Leather, imitation, and oilcloths			146,339	73,900
Leather, manufactures (not including boots, shoes, and gloves)			271,773	224,939
Machines: Sewing, knitting, and embroidering			655,691	387,431
Matches.....gross..	28,448,155	20,408,313	4,701,969	3,453,980
Match-making materials			1,178,406	353,053
Medicines			2,985,927	2,875,661
Milk, condensed.....dozens..	483,720	522,584	579,911	624,252
Oils:				
Kerosene—				
American.....gallons..	112,459,925	160,428,289	10,640,317	16,686,146
Borneo.....do....	23,603,943	22,616,385	2,553,504	2,430,544
Japanese.....do....	34,265	514,470	3,902	68,781
Russian.....do....	5,970,271	5,231,063	872,962	681,900
Sumatra.....do....	41,915,648	36,670,894	4,765,525	4,101,554
Lubricating.....do....	2,449,586	3,159,774	525,328	688,325
Opium.....pounds..	2,418,345	997,033	30,418,563	26,103,912
Paper			5,316,002	3,903,495
Perfumery and cosmetics			330,971	250,315
Photographic materials			233,371	208,215
Printing and lithographic materials			296,820	194,446
Railway cars and locomotives (including street cars)			1,457,379	3,297,131
Railway materials: Sleepers, etc			(a)	4,543,561
Rice.....tons..	369,993	451,618	13,631,528	15,268,434
Safes and strong-room doors			86,576	68,376
Scales and balances			60,333	55,947
Seeds			356,993	363,273
Shoes and boots, leather.....pairs..	292,632	227,174	346,613	392,820
Soap			1,900,565	1,768,459
Soda.....tons..	32,555	40,596	836,271	1,085,800
Stationery (not including paper)			857,377	891,149
Stores, household, n. e. s			3,047,810	1,954,567
Sugar:				
Brown.....tons..	151,826	119,111	6,849,120	5,038,587
Refined.....do....	175,193	165,843	10,829,348	8,908,892
White.....do....	128,871	108,547	7,885,002	6,233,556
Candy.....do....	18,230	11,863	1,367,773	903,455
Tea.....pounds..	25,897,600	22,684,133	3,550,002	2,952,241
Telegraph and telephone materials			533,473	396,427
Timber:				
Hardwood.....cubic feet..	2,663,682	3,537,052	795,693	1,050,478
Softwood.....square feet..	159,602,884	198,988,023	2,878,819	3,297,517
Tobacco, and manufactures of:				
Cigarettes			9,334,966	9,311,809
Cigars			351,802	267,993
Tobacco.....pounds..	21,544,800	15,783,533	2,649,053	1,882,633
Toilet requisites			665,022	599,752
Umbrellas:				
European.....pieces..	776,331	804,240	358,796	350,667
Japanese.....do....	2,265,119	2,420,180	722,163	698,595
Wines, beer, spirits, etc:				
Beer and porter			536,977	562,117
Spirits			825,109	598,529
Wines			899,203	852,136
Woolen goods:				
Blankets and rugs.....pounds..	1,619,557	1,070,111	455,207	267,295
Camlets, English.....pieces..	16,098	13,147	168,699	138,252

(a) Not given.

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Woolen goods—Continued.				
Cloth, broad, Russian, etc.....yards..	352,131	178,735	$374,212	$208,201
Flannel.....do....	79,430	28,992	26,559	10,064
Woolen and worsted yarn and cord.....pounds..	1,952,830	1,081,067	1,181,943	633,492
Woolen and cotton mixtures: Union and poncho cloth .....yards..	2,398,974	2,029,165	850,889	719,643
All other articles.....	.....	.....	78,936,873	72,185,880
Total.....	.....	.....	422,775,535	389,419,221

Exports, by Articles, 1913 and 1914.

For convenience of reference, the list of principal exports from China are here given immediately following the imports, the source of information in obtaining the figures being the same in both instances:

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Animals:				
Cattle, sheep, goats, and pigs.....number..	418,681	334,358	$4,452,604	$3,094,063
Poultry.....do....	2,779,543	2,952,484	469,199	421,916
All other.....do....	2,044	2,195	69,459	69,733
Bags.....pieces..	9,810,615	11,349,147	297,403	351,809
Bamboo and bamboo ware.....	.....	.....	844,752	519,359
Bean cake.....tons..	787,896	708,528	18,509,907	15,192,160
Beans.....do....	688,397	743,786	12,274,633	17,590,930
Bran.....do....	68,493	28,526	862,503	316,995
Bristles.....do....	3,514	3,296	3,288,802	3,039,960
Cereals: Wheat.....do....	123,204	131,270	3,530,655	2,691,275
Chinaware, earthenware, and pottery.....	.....	.....	1,581,077	1,354,926
Coal.....tons..	1,489,182	1,937,237	4,888,026	6,028,739
Cotton:				
Raw.....pounds..	98,505,300	87,960,533	12,038,211	8,625,345
Nankeens.....do....	6,407,466	4,869,767	1,748,866	1,267,995
Curios.....	.....	.....	675,034	383,365
Eggs:				
Albumen and yolk.....pounds..	20,796,400	16,693,600	2,282,943	1,786,380
Fresh and preserved.....dozens..	30,266,845	32,874,127	2,067,347	1,989,564
Feathers, fowl, etc.....pounds..	13,149,200	9,824,933	1,101,021	727,914
Fibers:				
Hemp.....do....	10,788,400	9,843,200	464,203	474,456
Jute.....do....	14,053,866	8,064,934	530,399	239,807
Ramie.....do....	22,816,800	17,306,000	1,845,500	1,163,459
Firecrackers and fireworks.....	.....	.....	2,572,765	1,702,653
Fish and fishery products.....tons..	14,058	14,438	1,407,971	1,245,368
Flour.....pounds..	18,560,800	9,324,267	452,398	237,547
Fruits:				
Dried and preserved.....do....	30,034,400	9,300,400	1,151,953	394,755
Fresh.....do....	73,173,733	27,422,133	1,073,852	337,899
Furs, dressed and undressed:				
Fox.....pieces..	107,069	55,450	383,457	198,113
Marmot.....do....	279,264	167,097	51,512	32,281
Raccoon.....do....	226,787	137,309	92,016	60,598
Sable.....do....	737	1,827	11,196	3,133
Weasel.....do....	1,033,582	601,572	164,130	82,930
All other.....do....	2,132,703	867,859	483,739	249,278
Ginger.....do....	8,469,733	7,794,267	142,207	129,465
Glassware, bangles, etc.....	.....	.....	275,734	287,178
Grass cloth.....pounds..	2,073,333	2,107,067	1,161,415	994,486
Groundnuts (peanuts).....tons..	76,349	32,151	3,735,838	1,268,726
Hair.....pounds..	6,421,066	3,931,333	1,182,145	618,034
Hats:				
Rush.....pieces..	6,305,180	2,115,811	62,365	23,415
Wood-shaving or chip.....do....	1,180,517	1,698,287	33,847	42,949
Hides and skins, and manufactures of:				
Undressed—				
Cow and buffalo.....do....	66,405,066	55,616,400	11,259,191	9,436,039
Goat.....do....	7,153,693	5,602,423	3,016,205	2,242,374
Horse, ass, and mule.....pounds..	1,517,866	1,542,133	182,276	164,418
Sheep.....pieces..	552,425	369,542	174,126	88,948
Dressed—				
Goat.....do....	639,992	260,871	319,824	139,927
Kid.....do....	112,347	25,977	18,921	6,069
Lamb.....do....	587,151	320,853	497,047	247,752

Articles.	Quantity.		Value.	
	1913	1914	1913	1914
Hides and skins, and manufactures of—Continued.				
Manufactures—				
Dog—Clothing, mats, and rugs.....pieces..	591,118	393,972	$319,375	$221,474
Goat—Clothing, mats, and rugs.....do....	329,298	451,056	266,769	391,599
Kid—Clothing.....do....	93,483	102,564	102,571	92,924
Lamb—Clothing.....do....	68,393	50,873	156,982	60,153
Sheep—Clothing, mats, and rugs.....do....	41,618	88,106	34,625	83,137
Leather.....pounds..	2,468,533	2,450,667	439,917	413,358
Lily flowers, dried.....do....	4,650,667	4,872,400	281,147	238,184
Mats.....pieces..	21,839,088	25,891,743	1,324,965	1,284,226
Matting.....rolls..	266,231	194,147	1,521,409	1,041,221
Meats:				
Fresh and frozen.....pounds..	24,431,466	15,698,666	1,329,097	862,253
Prepared or preserved (including lard and preserved game and poultry).....pounds..	14,603,066	11,865,334	1,445,895	1,008,546
Poultry and game, fresh or frozen.....do....	3,265,066	5,724,533	183,534	286,590
Medicines.....	.....	.....	2,809,587	1,867,966
Metals and minerals:				
Antimony—				
Ore.....tons..	4,795	5,479	111,218	108,915
Regulus, crude and refined.....do....	14,360	21,648	698,878	969,800
Iron and steel, and manufactures of—				
Ore.....do....	302,010	330,065	451,125	465,591
Manufactured and unmanufactured.....do....	72,732	66,084	1,060,737	899,711
Lead ore.....do....	4,481	4,102	97,083	147,134
Quicksilver.....pounds..	4,666	131,466	2,669	72,893
Tin, in slabs.....tons..	9,245	7,948	8,094,886	5,578,992
Zinc ore.....do....	10,524	8,126	81,938	58,695
All other.....do....	3,135	2,157	272,690	223,557
Musk.....pounds..	1,798	1,459	379,275	261,144
Nutgalls.....do....	7,419,333	7,830,933	793,708	815,784
Oils:				
Bean.....do....	65,575,600	79,336,967	2,767,287	3,397,765
Essential.....do....	1,004,000	702,967	1,108,471	553,107
Vegetable, n. e. s.....do....	75,769,033	79,639,067	3,595,668	3,502,453
Opium.....do....	.....	26,400	.....	174,928
Paper.....do....	33,263,333	30,661,200	2,359,114	2,002,603
Samshu.....do....	18,827,466	20,433,466	650,852	780,471
Seeds:				
Apricot.....tons..	3,068	1,316	720,635	275,934
Cotton.....do....	12,166	16,389	164,873	205,900
Melon.....do....	3,510	2,419	360,938	249,498
Rape.....do....	41,118	56,693	1,440,349	1,860,982
Sesamum.....do....	135,643	83,412	9,173,982	4,442,367
Seed cake.....do....	87,529	89,362	1,046,145	991,591
Silk, and manufactures of:				
Cocoons.....pounds..	3,395,866	3,157,200	1,726,285	1,453,026
Cocoons, refuse.....do....	3,473,200	1,682,800	478,847	177,478
Piece goods.....do....	2,366,800	1,809,466	10,555,778	7,378,489
Pongees.....do....	2,233,200	1,753,333	4,922,128	3,299,920
Raw—				
White, filature.....do....	9,112,266	7,202,133	33,814,177	26,131,755
White, all other.....do....	4,289,333	2,143,200	11,438,710	5,846,082
Wild.....do....	3,954,933	2,809,600	5,315,399	2,865,274
Yellow.....do....	2,510,933	2,323,600	3,939,136	3,993,988
Waste.....do....	15,581,333	10,840,533	4,947,828	3,512,950
All other.....	.....	.....	626,385	754,944
Straw braid.....pounds..	13,471,600	2,219,733	3,762,403	771,913
Sugar (including candy and cane).....tons..	13,877	18,495	467,406	510,211
Tallow:				
Animal.....pounds..	16,370,800	15,470,533	945,922	796,589
Vegetable.....do....	29,466,400	25,341,067	1,680,952	1,449,926
Tea:				
Black.....do....	73,027,733	81,772,666	10,668,605	11,326,279
Green.....do....	36,979,066	35,565,066	8,074,687	7,539,123
Brick—				
Black.....do....	57,442,533	46,237,467	5,022,187	4,691,022
Green.....do....	23,360,133	31,613,600	1,241,339	1,623,958
Dust.....do....	159,333	1,654,933	6,723	72,936
Timber and wood.....	.....	.....	1,894,703	1,272,371
Tobacco:				
Cigarettes.....pounds..	992,933	794,267	270,411	168,878
Leaf and prepared.....do....	20,268,533	21,512,933	1,895,180	1,690,286
Varnish.....do....	1,790,933	1,790,533	623,829	555,091
Vegetables.....	.....	.....	1,855,427	841,864
Wool:				
Camel's-hair.....pounds..	4,400,933	3,334,800	590,661	486,321
Goat's.....do....	1,557,866	1,304,933	276,078	230,745
Sheep's.....do....	37,368,266	40,181,066	4,069,013	4,654,614
All other articles.....	.....	.....	28,563,797	23,794,361
Total.....	.....	.....	299,051,065	241,351,331

The chief increases shown by the foregoing table were in the following exports: Beans, $5,316,297; black tea, $658,674; and green tea (brick), bean oil, and rape seed in smaller amounts. The decrease in exports of silk and silk products is nearly three times as much as all of the foregoing increases combined, to which may be added other heavy losses such as: Bean cake, $3,317,747; raw cotton, $3,412,866; tin slabs, $2,515,694; sesamum seeds, $4,731,615; cowhides, $1,823,152; and straw braid, $2,990,490.

War Reduces Silk Trade $22,000,000—Buying Countries.

The European war curtailed China's silk trade $22,479,326, of which decrease $4,799,497 was in silk piece goods and pongees and the balance in raw, wild, and yellow silk, cocoons, and silk waste. Silk products alone were nearly one-half of China's entire loss in the export trade in 1914, and while the reduction in value was more than one-third, the falling off in quantity was considerably less than 33 per cent. Prices were cut to meet such trade possibilities as were afforded.

Canton silk exports were reduced $6,000,000 and the greater part of the remaining loss fell upon Shanghai. Many filatures were forced to shut down, and the prospect of throwing upward of 100,000 operatives out of employment at Shanghai caused the Chinese authorities great anxiety. Since 1910 about 40,000,000 pounds of silk and silk goods have been exported annually from China; 1913, in fact, showed a total of 46,917,864 pounds. In 1914, a considerable reduction was recorded. The amount about equals the amount exported in 1905, to wit, 30,414,200 pounds. In 1907 this amount reached 34,725,200, but until 1910 the total ranged from 28,000,000 to 33,000,000 pounds.

The following table shows to what countries China's raw silk was exported in 1914:

Countries.	Raw white.	Raw yellow.	Raw wild.	Waste.	Cocoons, refuse cocoons, and waste yarn.	Total.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
British India	232,400	1,697,333	667	1,200	36,267	1,949,867
France	1,692,533	262,267	599,467	2,250,534	2,021,333	6,826,134
Germany	2,667	13,200	39,600	145,867	.....	201,334
Great Britain	287,867	2,533	124,800	2,570,800	565,467	3,551,467
Hongkong	4,698,933	26,000	52,667	3,690,267	350,533	8,818,400
Italy	223,200	80,800	226,133	711,333	508,533	1,749,999
Japan	11,867	.....	692,533	531,333	993,467	2,229,200
Macao	29,333	.....	304,533	30,800	.....	364,666
Turkey, Egypt, Persia, Aden, etc	32,933	226,133	14,933	30,933	.....	304,932
United States	2,109,733	6,267	730,933	661,867	395,867	3,904,667
All others	23,867	4,067	23,334	178,533	5,600	258,401
Total	9,345,333	2,323,600	2,809,600	10,803,467	4,877,067	30,159,067

Increased Sale of Chinese Black Tea.

The China tea trade encountered some rough seas in 1914, but on the whole the results were quite satisfactory. Of the large increase already noted in black tea exports, 2,858,533 pounds went to the United States. Apparently, Americans are becoming fonder of black teas. Green tea exports declined 1,414,000 pounds, the reduction in valuation being $535,564.

Great Britain took upward of 5,000,000 more pounds of black tea in 1914 than in 1913, this being, as in the case of the United States, an increase of about one-half. Hongkong fell off about 2,500,000 pounds in its purchases of black tea, but the Netherlands took in an additional 1,000,000 pounds, thus more than doubling previous purchases. Russia further reflected war-time conditions by ordering more that 2,500,000 additional pounds of black tea. Germany and Austria-Hungary received reduced quantities.

Sales of Tea, by Countries—Peculiar Trade of Russia.

The following table shows where China's black and green teas were marketed abroad—not including brick tea and dust teas, all of which went to Russia, thus further emphasizing the tea-drinking predominance of that country:

Countries.	Black tea.		Green tea.	
	1913	1914	1913	1914
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*
Australia, New Zealand, etc.	1,136,400	1,027,467	354,533	.....
Austria-Hungary	1,462,933	1,010,267	.....	27,200
Belgium	282,534	344,400	.....	.....
British India	215,866	83,133	2,064,534	2,070,800
Canada	705,733	867,467	661,733	1,267,200
Central and South America	174,800	42,800	.....	.....
Denmark	57,334	55,600	.....	.....
Dutch East Indies	159,200	264,267	533	400
France	968,266	962,533	7,578,533	5,061,067
French Indo-China	544,534	446,000	18,933	15,067
Germany	4,203,200	3,800,533	1,204,534	606,400
Great Britain	9,816,933	15,343,867	327,866	1,991,867
Hongkong	13,028,000	10,580,000	638,667	449,600
Italy	3,600	4,533	.....	.....
Japan	449,600	698,800	97,733	789,200
Macao	1,222,533	1,209,733	.....	.....
Netherlands	819,467	1,974,667	11,600	.....
Norway	400	.....	.....	.....
Philippine Islands	30,534	34,667	.....	2,400
Portugal	.....	.....	.....	3,867
Russia	29,446,000	32,111,600	9,247,467	8,357,465
Siam	635,466	650,000	3,066	1,600
Singapore, Straits Settlements, etc.	581,333	580,000	132,667	92,133
South Africa	114,400	84,133	.....	.....
Spain (including Gibraltar)	7,334	4,400	327,600	47,200
Sweden	5,866	5,333	.....	.....
Turkey, Persia, Egypt, etc.	413,867	186,533	1,688,800	1,596,400
United States (including Hawaii)	6,541,600	7,400,133	12,620,267	13,185,200
Total	73,027,733	81,772,666	36,979,066	35,565,066

Larger Quantities of Cowhides Bought by America.

The exportation of cowhides to the United States has been somewhat larger than in previous seasons, while the limited shipping facilities to Europe interfered with the normal trade with those countries. The prices of hides varied widely, advancing with the brisk inquiry for leather for army and navy boots and declining as soon as these contracts were filled. Reference to the table of declared exports from all China to the United States, given below, will show the falling off in the value of various furs and skins shipped in 1914.

Chinese merchants are not willing to sell at low prices, and there is still quite a large stock of hides in the country, particularly those classed as second selection. Such hides are not wanted in the United States, or can not be used and worked there to the same advantage as in other countries such as Italy and Germany. As ship-

ments to Italy have met with restrictions and Germany has been out of the market altogether, these hides are being stocked by both foreign buyers and Chinese.

The Japanese interfered with the hide market in January, making purchases at very high prices, and it is believed that they lost considerable amounts of money through inexperience. It is claimed that the Japanese paid as much in some instances for raw hides in China as was ordinarily paid for the same landed in New York. On transactions of this kind the loss in weights is placed at 20 to 25 per cent, and it is asserted, therefore, that some of the hides which the Japanese bought cost them about 20 per cent more than could be realized in the United States. Unsatisfactory results discouraged transactions of this kind.

Buffalo Hides—Goat and Sheep Skins.

As buffalo hides go mostly to Asia Minor and Germany, the war stopped most of the business. America does not take large quantities of this class because of the heavy weights.

The supply of goatskins was about the same as last season. The better class of skins found quite a few buyers in America on account of the prices having been 20 to 25 per cent lower than last season and before. The value of some skins has declined as much as 40 per cent, and even at this reduction business has been very unsatisfactory. Tientsin has shipped the usual amount, but direct shipments from Hankow have decreased considerably, although in the shipment of hides generally, and to the United States in particular, that port showed much activity, as large quantities were sent to Shanghai to be sold there; the exports from the latter port have been larger than usual.

The market for sheepskins was largely confined to Tientsin. There was a good demand and good prices were realized. This was due not to the skins and leather market having improved, but to the high market for wool. As these skins all have a considerable quantity of wool on them, prices were naturally affected thereby.

Miscellaneous Exports to Various Countries.

In addition to the consideration already given to the controlling features of China's export trade, a few miscellaneous items such as fresh and dried fruits, cattle, bran, cotton blankets, curios, sheep's wool, and fire crackers may warrant attention.

In both fruits and firecrackers Hongkong has made heavy purchases, but in dried and fresh fruits the slump in 1914 approached two-thirds of the total transactions of the previous year, or a loss of about $1,400,000. The firecracker trade decreased $870,112.

As Kiaochow has heretofore supplied large quantities of cattle, sheep, goats, and pigs, mostly for the eastern Siberian market, the closing of Tsingtau by the war was largely responsible for the decline of $1,358,541 recorded in exports of this kind, the decrease in the number of animals shipped out of China being 84,323 for the year.

Bran, chiefly from Shanghai and Hankow, has been exported freely to Japan, but for 1914 there was a falling off of 39,967 tons, valued at $545,508.

Cotton blankets, largely in demand at Hongkong, sold less readily in 1914. The curio market fell short $291,669, France and England having been the good purchasers of such articles.

The nations at war bought larger quantities than usual of sheep's wool, and the total exports increased 2,812,800 pounds, corresponding to a value of $585,601. The declared exports to the United States, however, show a decline.

Declared Exports from China to the United States.

It is not possible to give quantities in the following consolidated summary of the declared exports from China to the United States, Hawaii, and the Philippines in 1913 and 1914, because consular officials have not in all instances supplied the necessary information. There were no exports from China to Porto Rico.

Articles.	1913	1914
TO THE UNITED STATES.		
Antimony	$186,554	$330,151
Art, works of:		
Antique porcelains	.....	19,286
All other	150	274
Beeswax	10,399	10,959
Brass ornaments	2,574	1,239
Breadstuffs:		
Bran, wheat	745	17,864
Buckwheat	2,298	4,583
Corn	6,701	37,999
Bristles	1,189,393	1,734,378
Bronze ornaments	2,419	558
Chemicals, drugs, etc.:		
Albumen, egg	412,395	459,191
Camphor	29,724	21,604
Cantharides	.....	8,434
Galinuts	100,247	196,244
Medicinal compounds	.....	5,736
Musk in pods	75,262	52,066
Rhubarb	30,532	27,097
Turmeric	10,344	.....
All other	596	1,120
Coal	5,251	10,193
Cotton, raw	1,006,770	1,248,625
Cotton laces, embroideries, etc.	.....	1,939
Curios	98,327	79,652
Earthenware, etc.: Chinaware	25,845	53,329
Eggs:		
Dry and frozen	.....	628,496
Fresh	31,451	578,853
Egg yolk:		
Frozen	10,353	15,839
All other	33,652	274,881
Embroideries	1,026	.....
Fans: Palm-leaf	42,064	58,308
Feathers and downs	69,576	40,983
Fibers, and manufactures of:		
China grass	13,248	.....
Grass cloth	927	63
Gunny bags	1,106	.....
Hemp	.....	32,360
Jute	87,494	9,389
All other	1,094	28,222
Firecrackers	231,210	178,753
Fruits and nuts:		
Peanuts	46,767	222,684
Walnuts	225,656	299,464
Furs and skins, and manufactures of:		
Dressed—		
Dogskin mats	27,093	50,851
All other	24,616	981
Undressed—		
Antelope	.....	1,211
Cat	30,630	13,316
Deer and doe	71,137	18,114
Dog	345,840	132,643
Fox	25,134	7,180
Goat	2,933,627	1,926,908
Kolinsky	2,488	.....

Articles.	1913	1914
TO THE UNITED STATES—con.		
Furs and skins, and manufactures of—Continued.		
Undressed—Continued.		
Leopard	$5,412	$5,437
Marmot	12,352	.....
Otter	4,278	.....
Rabbit, etc	5,054	256
Sheep and lamb	272,311	177,904
Tiger	3,510	.....
Weasel	36,313	18,855
All other	6,726	380
Ginger, preserved	7,446	12,395
Gold:		
Chinese gold bars	.....	2,464,130
Coins	.....	1,586
Grease, etc.:		
Soap stock	2,760	.....
Vegetable tallow	171,526	333,867
Hair:		
Horse	102,118	112,284
Human—		
Asiatic cleaned	93,758	60,431
Combings	.....	2,296
Nets	1,139	915
Hats: Rush, wood-shaving, and straw	15,396	21,607
Hides:		
Buffalo	36,026	63,152
Calf	1,560	1,769
Cow	2,024,503	2,867,222
Horse and pony	17,489	28,791
All other	217,941	199,704
Household and personal effects	53,314	42,719
Iron: Pigs	57,787	30,139
Joss sticks	13,381	5,557
Laces, n. e. s	6,263	.....
Lead: Ore	3,344	1,103
Matting, mats, and rugs	777,606	480,077
Meat and dairy products:		
Chicken, frozen	.....	6,262
Game	.....	1,152
Lard	.....	2,353
Pork	.....	2,500
Sausage casings—		
Hog	15,065	71,938
Sheep	38,600	58,562
All other	828	514
Oils, vegetable:		
Aniseed	.....	3,539
Bean	343,865	451,265
Cottonseed	313,600	725,208
Wood	2,308,311	1,992,025
All other	1,544	12,242
Paper, and manufactures of	1,553	4,253
Books	3,306	15,595
Calendars	1,170	1,201
Labels, tea	1,591	.....
Pictures and paintings	1,472	6,608
All other	698	8
Photographic films	2,963	.....

Articles.	1913	1914
TO THE UNITED STATES—con.		
Plants: Narcissus bulbs	$18,428	$9,572
Rubber: Shoe scraps	1,729	2,456
Seeds:		
Hemp	23,401	11,574
Linseed	.....	1,413
Millet	2,350	1,492
Perilla	149	.....
Rape	4,711	.....
Sesamum	1,218	6,789
Sorghum (Kaoliang)	6,473	6,456
Silk:		
Manufactures of—		
Embroideries, laces, tassels, etc	81,173	35,614
Piece goods	14,118	4,795
Pongees	29,814	61,568
All other	560	1,325
Raw	13,954,192	12,536,019
Waste	1,033,973	1,337,212
Wild	1,517,174	708,147
Cocoons	1,442	33,159
Spices: Cassia	150,264	132,332
Stone, and manufactures of:		
Curios of semiprecious stones (jade, etc.)	.....	2,571
Soapstone ornaments	618	1,764
Straw braids	903,155	366,203
Talcum	.....	4,683
Tea	2,908,383	3,391,238
Tin	5,288	.....
Vegetables:		
Beans	1,520	2,492
Garlic	.....	7,982
Peas	8,216	.....
Prepared or preserved—		
Bean cake	16,798	.....
Sauce (soy)	461	1,540
Wood, and manufactures of:		
Bamboo, split	12,891	12,082
Chairs, rattan	1,243	1,134
China reeds and palm	34,829	20,694
Furniture and stands	16,550	13,807
Rattan and canes	8,122	6,410
All other	814	588
Wool, and manufactures of:		
Carpets and rugs	76,926	102,215
Wool—		
Camels' hair	.....	101,461
Goats'	1,153	10,981
Sheep's	5,539,565	5,221,830
Zinc ore	.....	31,375
All other articles	9,726	7,587
Total	40,824,021	43,328,471
TO THE PHILIPPINES.		
Breadstuffs: Vermicelli	2,131	3,528
Candles	4,769	12,226
Cement	63,441	87,731
TO THE PHILIPPINES—con.		
Chemicals, drugs, dyes, etc.:		
Aniline dyes	.....	$1,082
Medicinal compounds	$1,225	723
Coal	347,139	435,576
Cotton, manufactures of:		
Nankeens	8,964	7,705
T cloth	.....	1,532
Earthenware, etc.:		
Chinaware	1,550	2,087
Fire bricks and fire clay	6,708	29,328
Fibers, and manufactures of:		
Fish nets	5,725	4,954
Grass cloth	16,028	27,381
Twine, hemp	2,067	2,191
Fish: Oysters, etc	1,150	565
Fruits and nuts	1,307	4,105
Grease, etc.: Vegetable tallow	.....	1,661
Iron and steel, manufactures of:		
Dredger head and fittings	2,539	.....
Drums	1,352	.....
Propeller shafts	923	550
All other	2,845	460
Meat products: Hams	1,493	55,503
Oils: Linseed	.....	2,145
Paper, and manufactures of:		
Books	1,678	5,378
Joss paper	600	1,772
Playing cards	.....	1,316
All other	4,944	2,104
Photographic goods: Cinematography films	1,684	880
Silk:		
Manufactures of—		
Cinsi	.....	1,740
Piece goods	.....	11,652
Raw	16,773	19,512
Straw braid	2,070	.....
Tea	3,834	6,624
Vegetables:		
Beans	1,614	2,486
Potatoes	.....	1,924
All other	3,593	8,230
Wood:		
Canes and rattan	2,030	1,578
Combs	1,274	2,958
All other articles	10,450	10,084
Total	521,901	759,271
TO HAWAII.		
Cement	10,832	.....
Coal	9,203	248
Iron: Pigs	2,394	15,465
All other articles	1,503	2,672
Total	23,932	18,385
Grand total	41,369,854	44,106,127

No exports from China to Porto Rico were invoiced at the American consulates. Returned American goods were declared as follows: To the United States, $21,857 in 1913, $38,318 in 1914; to the Philippines, $7,195 in 1913, $151 in 1914; to Hawaii, $1,500 in 1913.

Increase in Exports Consists of Gold Bars—Other Items.

Aside from the unprecedented shipment of $2,464,130 in gold bars to the United States during 1914, the remainder of the total increase of $2,504,450 was only $40,320. Nearly all of the gold bars were shipped from Shanghai, mostly in connection with German banking necessities and resulting, of course, from the European war.

Practically all ports of China show substantial increases in exports to the United States in 1914. In the exportation of bristles the total increase amounted to $555,000.

The exportation of cotton to the United States increased to the extent of $242,000, Tientsin leading, followed by Shanghai and Hankow. China's chief falling off in cotton exports was particularly noticeable in the trade with Japan. China's 1913 shipments of raw cotton, mostly to Japan, was reduced in 1914 by about 10,500,000 pounds, or $3,500,000.

The advance in the exportation of cowhides during the year reached $842,000, Hankow contributing largely to the activity in this trade.

Increase in Exports of Egg Products—Pacific Coast Opposition.

The exports of eggs and egg products from China to the United States during 1914 increased in value $1,400,000. Since preparations are being pushed for the shipment of large quantities of egg products via the Panama Canal in cold storage it was assumed, prior to the enactment of adverse Pacific coast legislation, that the declared export returns for the current year would show still further phenomenal advances.

The restrictions on the sale of Chinese eggs on the Pacific coast will compel shippers to exercise exceptional caution. Already there have been heavy losses as a result of the improper selection of eggs in China and bad packing. It is assumed that Chinese eggs are not of the superior quality of American eggs, and when handled by those who are not expert in making proper selections large quantities are received in a tainted condition. It is difficult or impossible to educate the Chinese to take proper care of their eggs. All in all this special egg trade is scarcely on a firm basis, although those who are preparing to ship egg products in cold storage to the Atlantic seaboard are confident of doing a permanent and profitable business.

Egg albumen and egg yolk shipments from China to the outside world generally were curtailed by the war to the extent of $496,563.

Silk and Tea—Straw Braid and Furs.

Cottonseed-oil exports from China to the United States increased $411,608 in value. America also took more Chinese tea, particularly the black variety. While the exportation of waste silk from China to the United States increased $303,239 in value, the decrease in the shipment of the raw and the wild staple amounted to more than $2,000,000. The European war interfered more severely with this line of trade than any other in China.

Owing to the seige of Tsingtau, the straw-braid trade ceased entirely during the latter part of the year and shipments of wool to the United States decreased in value by $317,735, the port of Shanghai being credited with the major share of this decline. Owing to the shortage of supplies, there was a considerable decrease in the export of furs; dog, goat, sheep, and lamb skins showed a total decline of $1,307,604 in shipments to the United States.

Exports to the Philippines and Hawaii.

The export trade between China and the Philippine Islands shows an increase of over $200,000, the chief increases being in cement from Tientsin and Dairen and coal from the latter port, while the

former added to its shipments of fire brick. Shanghai has been building up a trade in the Philippines for hams, and this business increased approximately $54,000 in 1914. Much difficulty has been experienced in connection with certification as to the proper condition of such products when shipped out of China. However, there is a demand for hams in the Philippines and the trade will very likely increase. Canton increased its shipments of silk manufactures to the Philippines in 1914, but in iron and steel manufactures, shipped mostly from Shanghai to Manila, a small decline occurred.

A total decrease of about $5,500 is noted in China's exports to Hawaii in 1914, although pig iron as shipped from Shanghai increased $13,071. Cement and coal from Tientsin declined nearly $20,000.

Shipping Decrease Mainly in German Tonnage.

The war may be said to have reduced the tonnage of foreign vessels entering and clearing at Chinese ports by 2,000,000 tons, although the decrease in German tonnage alone was more than this, or 2,991,869 tons. The reduction in the number of vessels was but 48. The native craft showed great activity, 150,727 entering and clearing, with a tonnage of 24,931,226, or an increase of 28,959 vessels and 5,027,322 tons.

The increase in American vessels and tonnage was due to certain steamers of an American line, the Pacific Mail Steamship Co., resuming calls at Shanghai in connection with Philippine routings. The British tonnage increased notwithstanding the war, but French tonnage dropped off approximately one-third. Japan, with a reduced number of vessels in 1914, as compared with 1913, shows an increased tonnage.

The number, tonnage, and nationality of foreign vessels entering and clearing at Chinese ports during 1912, 1913, and 1914 were as follows:

Nationalities.	1912		1913		1914	
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.
American	1,622	715,001	2,458	8[illegible]8 750	3,116	1,017,492
Austrian	74	255,713	8[illegible]	2[illegible]87,812	51	174,233
British	31,909	38,103,732	32,185	38,120,300	32,705	38,795,409
Danish	77	91,783	86	122,722	100	139,526
Dutch	275	387,471	293	401,077	276	398,271
French	1,836	1,634,468	1,020	1,232,763	516	882,440
German	4,778	6,171,084	5,382	6,320,466	3,593	3,328,597
Japanese	20,091	19,913,385	22,716	23,422,487	22,143	23,684,774
Norwegian	1,685	1,121,785	637	739,328	670	746,005
Portuguese	166	13,710	816	128,330	1,748	311,696
Russian	2,964	1,639,145	3,265	1,687,796	3,989	1,875,613
Swedish	20	51,594	27	71,065	15	40,985
Total	64,898	70,102,474	68,970	73,430,886	68,922	71,395,041

Currency and Taxation Reform Needed.

During 1914 debased Chinese native bank-note paper caused much difficulty to traders, its fluctuating value making business transactions unsafe. In some districts there was a shortage of silver dollars, which created a premium on them. Unsound trading ensued, as business was conducted on a credit basis. Attempts were made by the Chinese Government to rectify the serious situation caused by

native debased paper. Currency reform will very materially aid business.

Internal taxation has also given merchants a great deal of worry, for very large increases have been insisted upon. The most serious factor in this connection is the fact that such taxation is not always collected direct by the Government, but is farmed out, in some instances, and those who purchase the right to tax at times assume to fix their own tariffs to suit themselves. This makes it possible for a competing firm to secure favored treatment. Inland taxation should be reformed to meet the legitimate demands of business transactions.

The Commercial Situation in General—America's Opportunity.

In an international sense China's foreign trade is in its infancy. The country's imports, which under the promising conditions immediately following 1913 were advancing beyond $1 per capita, now, under war-time conditions, have decreased to much less than that small amount. At the same time political conditions in China, on the whole, tend to strengthen the country's buying capacity, although, as far as America is concerned, greater and more inviting opportunities for favorable industrial enterprises are needed. Commercial conditions in China are being largely shaped by political policies. Of all occidental nations, America now occupies the most favorable position.

But America's favorable position of to-day will disappear to-morrow if suitable action is not taken whereby China's desire to encourage our commercial and industrial enterprises will be vigorously supported. To be specific, it may be suggested that when an opportunity is presented for American participation our capitalists, manufacturers, and exporters should not prove indifferent. A policy of indifference or aloofness will prove very disappointing to the Chinese at this time and also will injure our future trade prospects.

England and Japan Control China's Imports.

Roughly speaking, one-half of China's imports may be credited to England, including the British India and Hongkong trade. Approximately 20 per cent more comes from Japan. Of the balance the 7.3 per cent now possessed by the United States comes next in order, and it gives some satisfaction to know that this is more than twice as much as that of Belgium, Russia, or any other country not mentioned above.

Upward of one-half of America's 7.3 per cent share of China's imports is now represented by the single item of kerosene, and of the balance lumber, machinery and steel products, tobacco, and cotton goods constitute the corner stone of future trade possibilities.

Germany's less than 5 per cent of China's imports in 1913 has now been cut down to about half that fraction, and for 1915 the result apparantly will approach complete extinction if the British merchants are successful in their war-time trade campaign.

China and the Far East now face an interesting trade rivalry between England and Japan. In this lies America's advantage.

China's Industrial Activities—Future Possibilities.

Already China, especially at Shanghai, is producing large quantities of cotton cloth, yarn, flour, matches, soap, etc. A glass factory

is to be added and other industries are bound to be established. China and the Far East, with unlimited cheap labor, may be expected to attract more attention soon with Oriental-made products that will seek markets abroad. Certain Americans feel that China offers many opportunities for local industries, particularly at Shanghai. A biscuit or cracker factory and a large soap-making establishment are suggested.

But China's cheap labor exploitation and prospective commercial and industrial awakening are not, in a broad sense, to be looked upon as fatal to American or European trade possibilities in this part of the world. Japan, in passing through the industrial experiences that China is now approaching, quickly increased her imports per capita from less than 50 cents in 1877 to over $5.50 in recent years. Yet Japan soon learned to manufacture cotton cloth and yarn and other products, just as China is learning. The Standard Oil Co. spent in Japan, as it is now spending in China, large sums of money to determine what might be expected in the way of petroleum production. While the Japanese oil fields did not develop on any large scale, China may develop a petroleum industry.

China will, it is believed, go far beyond Japan in native industrial activity, and in doing so most inviting markets and trade possibilities will be developed. While Japan imported enormous quantities of machinery, China's orders for such products will make Japan's purchases look insignificant.

American manufacturers and exporters may well examine China's list of imports and decide, with the assistance of American official representatives, in what old lines they can participate or in what new lines they may hope for opportunities for trade expansion. As regards the latter, attention is invited to recent work in such American lines as cash registers and locks. In both these lines active, young American business men have recently been sent into the field. They have examined into conditions and are meeting with entire success. A paint and varnish house did likewise. During 1914 the exclusively American shoe-store idea became fully effective in China. These are examples of what may be done in other new lines.

American Mining, Banking, Machinery, and Sewing Machines.

So far as American participation in China's development of mines is concerned, we have practically none, while in so insignificant a territory as Chosen we have a number of substantial and dividend-paying mining concessions. China's mining laws do not encourage the investment of capital. In Chosen, Prince Ito changed such laws to meet the requirements of American concessionaires. China may be induced to do likewise.

Additional American shipping participation is now promised in China (May, 1915), and in banking we already have the International Banking Corporation with local British management. Additional American banking facilities are frequently suggested and such proposals are receiving due attention. We now have at Shanghai a sawmill plant and a factory to prepare and freeze egg products. American machinery has been installed in the latter, and has also been used in flour mills in China.

American machinery has not been utilized as yet, however, to any great extent in Chinese cotton mills, although American cottonseed-

oil machinery has been successfully and favorably placed in competition with European products. Our sewing machines are being introduced, largely through the enterprise and personal representation on the spot of the Singer Sewing Machine Co. But time is required to build up a business of this kind, and those contemplating such undertakings should examine carefully into conditions before opening their campaign.

Railway and Electrical Supplies—Steel—Lumber.

American railway and electrical supplies are being favorably received, and large purchases will necessarily have to be made in the near future, particularly for the necessary upkeep of railroads now in operation. The aggressive local managers of the United States Steel Corporation interests and other American enterprises are alert and capable of securing and holding available and desirable trade. This is also the case as regards automobiles and numerous other lines.

Shanghai alone imported about 50,000,000 feet of Pacific coast lumber in 1914, and this trade is growing. One reason why it is growing is the fact that an aggressive selling campaign has been inaugurated. Through American manufacturing and exporting connections in the United States, coupled with local American representation in China, the foundation is already prepared for increased American participation and further special representation on the spot. Generally, conditions are favorable.

The Only American Railway Project in China—To Create New Markets.

The only railway project in which American capital is interested is that section of the Szechwan-Hankow line which stretches northward through the Yangtze gorges into China's most populous Province. Americans who are informed of the work done on this most difficult section of railway in China, if not in the world, are expressing unbounded pride in the way the engineers have surmounted difficulties that engineers of other nationalities said were insuperable. The American survey has cut the grade from 3.25 per cent to 1.25 per cent, and thereby has shortened the line more than 50 miles. This was accomplished by the inclusion of an additional mile of tunnels in connection with previous surveys and necessitates the building of one tunnel 17,000 feet long.

In the opinion of Chinese railway officials, this stretch of road will prove the most profitable in China, since it will furnish an outlet for the produce of 78,000,000 people now debarred from commerce by the difficulty and cost of navigation through the Yangtze gorges. They express amazement, therefore, that the money is not forthcoming, despite the war.

One of the greatest aids to commerce in China is the building of railroads. The country that will be opened up by the Szechwan-Hankow line is an empire in itself. The primitive transportation methods still utilized in the greater part of China hamper trade, and both natives and foreigners are anxious to secure more up-to-date transportation facilities. [It is suggested that information regarding industrial enterprises of national scope in China be applied for by those interested through the American minister at Peking or the American Commercial Attaché for China.]

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